VOTE FOR THE POWER OF TWO

Demerger of Trustpower Limited

AUGUST
TWENTY
SIXTEEN

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Introduction to the Demerger

- Trustpower has become a geographically and operationally diverse company with a wide range of investment opportunities, particularly in relation to Trustpower's electricity, gas and telecommunications retailing in New Zealand, and its predominantly Australian wind development and generation business
- The Trustpower Board believes that these quite different businesses can be more effectively run, and Trustpower shareholder value enhanced, if they are split into two separate companies
- The Demerger, if implemented, will create two independent publically-listed entities:
  - Tilt Renewables: will hold Trustpower's Australian and New Zealand wind generation assets and its wind and solar development projects. This will position Tilt Renewables to focus on projects to meet Australia's renewable energy needs
  - New Trustpower: will continue to operate Trustpower's Australian and New Zealand hydro generation assets and its multi-product New Zealand retail business
- Eligible shareholders are to receive one share in each of Tilt Renewables and New Trustpower for every share held in Trustpower
- The Demerger will be implemented by way of a court approved scheme of arrangement
- Shareholders are expected to vote on the Demerger at a Shareholder meeting, scheduled for 9 September 2016
- Each of Tilt Renewables and New Trustpower are intended to be listed on the NZX Main Board. Tilt Renewables is also expected to be listed on the ASX under a foreign exempt listing

Overview of the proposed Demerger

Eligible shareholders will receive one share in each of Tilt Renewables and New Trustpower for every share they hold in Trustpower

Trustpower Limited

What is Tilt Renewables?

- Tilt Renewables will be an owner, operator and developer of a portfolio of wind farms across Australia and New Zealand
- Tilt Renewables will have approximately an 11% market share of installed wind capacity in Australasia
- Tilt Renewables' assets will comprise 307 operating turbines across seven wind farms, with a total installed capacity of 582MW
- Tilt Renewables' assets will include Australia's second largest and New Zealand's largest wind farms
- Tilt Renewables will have a high level of contracted revenue, with counterparties including New Trustpower and Origin Energy
- Tilt Renewables will have a development pipeline of 8 further wind farm projects, with the potential for more than 2,000MW of installed capacity. Tilt Renewables also intends to pursue solar development opportunities in Australia
- The Tilt Renewables management team will have extensive wind farm development and operational expertise

What is New Trustpower?

- New Trustpower, headquartered in Tauranga, will be New Zealand's fifth largest electricity generator and fourth largest energy retailer by market share, with approximately 13% electricity retail market share
- New Trustpower will own 22 hydro power schemes throughout New Zealand and Australia with a total installed capacity of 516MW[1]
- New Trustpower will operate a multi-product retail business, including electricity, gas and telecommunications services with approximately 280,000 electricity customer connections, 31,500 gas customer connections and 65,000 telecommunications customer connections
- New Trustpower will retain Trustpower's name and brand

Notes:

1 Excludes King Country Energy generation assets

Advantages of the demerger outweigh the disadvantages and risks

1 **Separation will enable the pursuit of targeted, independent business strategies by each business, to be supported by dedicated boards and management teams**

- For Tilt Renewables this is particularly with respect to its wind and solar development opportunities in Australia and for New Trustpower it primarily relates to the growth of its multi-product strategies in New Zealand

2 **Access, especially for Tilt Renewables, to equity capital that is dedicated to helping fund development options**

- This will better enable Tilt Renewables to take advantage of renewable generation opportunities in Australia
- Trustpower's current wind and solar development options, if fully built, would represent more than 2,000MW of new investment, over three times Trustpower's current wind operating assets

3 **Optimising capital structures and dividend policies to reflect the strategies of each business**

- In particular Tilt Renewables shareholders should anticipate new equity capital will be raised to complete its development projects
- It is expected that New Trustpower will be able to distribute a higher proportion of its profits than Trustpower would be able to

4 **The intended separate listing of Tilt Renewables (including the intended listing on the ASX) and New Trustpower will provide existing and future shareholders with greater investment choice**

- The Demerger will provide Trustpower shareholders with separate investments in two New Zealand listed companies (with Tilt Renewables also seeking a listing on the ASX)
- This will give existing and future investors the flexibility to choose the level of investment they wish to hold in each company by buying, selling or holding shares in each company independent of the other company

The Board is of the view that the demerger is more likely to enhance value for Trustpower shareholders over the medium to long term than maintaining the status quo, or pursuing other alternatives considered by the Board

– *the Independent Adviser has concluded that, on balance, the benefits of the Demerger will outweigh the costs and potential disadvantages*

Indicative timetable

Event	Date
Expected mailing of Scheme Booklet to Trustpower Shareholders	22 August 2016
Shareholder Meeting	10am on 9 September 2016
Anticipated receipt of the Final Court Orders	6 October 2016
Record Date (and relevant time) (all Trustpower Shareholders at this time and date will be entitled to receive Tilt Renewables Shares and New Trustpower Shares)	5pm on 13 October 2016
Last date on which Trustpower Shares will trade on the NZX Main Board	5pm on 11 October 2016
Intended date New Trustpower Shares begin trading on the NZX Main Board on a conditional settlement basis	13 October 2016
Intended date Tilt Renewables Shares begin trading on the NZX Main Board on a conditional settlement basis and on ASX on a deferred settlement basis	13 October 2016

Notes: All times and dates referred to in this presentation are times and dates in New Zealand, unless otherwise indicated. These times and dates and the references to them throughout this presentation are subject to change and are indicative only. Trustpower reserves the right to amend the times and dates without prior notice.

The proposed demerger of Trustpower is well advanced

Section 2

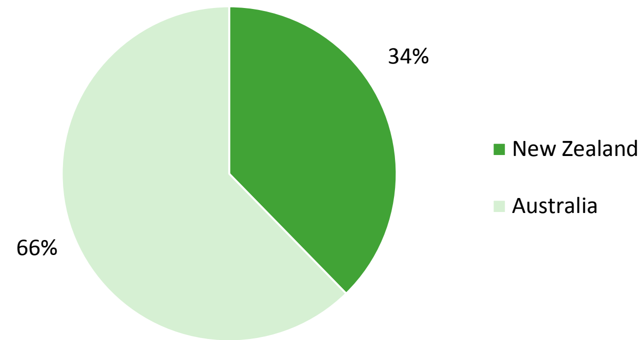
Overview of Tilt Renewables after the Demerger

Overview of Tilt Renewables

Overview

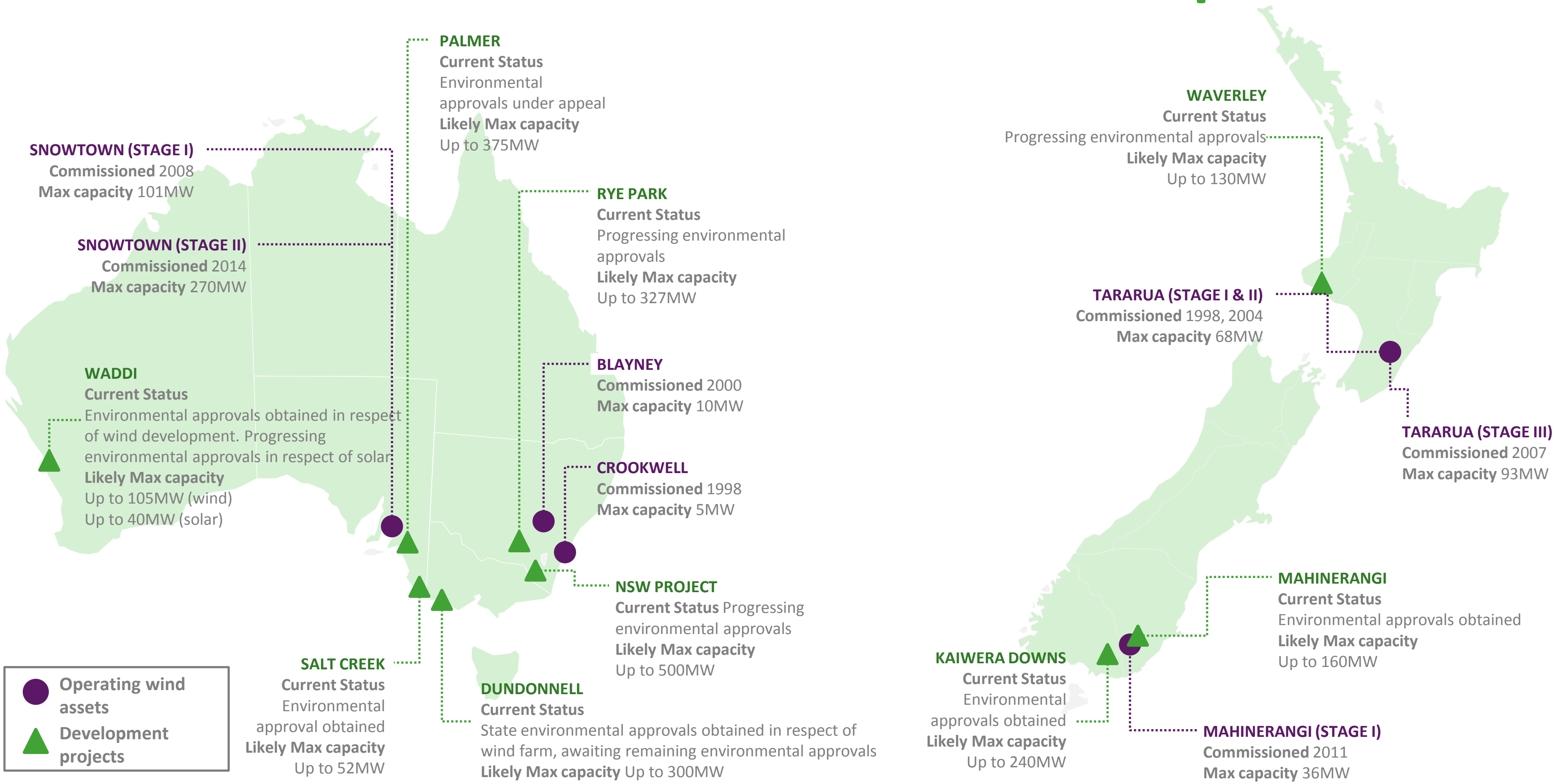
- Tilt Renewables will be an Australasian owner, operator and developer of a number of established wind farms and an extensive wind and solar development pipeline
- Tilt Renewables will have seven wind farms located in Australia and New Zealand, with installed operating capacity of 582MW
- The existing wind farms that Tilt Renewables will own and operate represents approximately 11% of market share by installed wind capacity in Australasia
- Tilt Renewables will have:
  - a high level of contracted electricity sales through long term power purchase agreements with Origin Energy and New Trustpower; and
  - a development pipeline consisting of a number of potential development projects that, if all are taken through to construction, could produce more than 2,000MW of renewable generation capacity

Tilt Renewables installed capacity by geography



Snowtown Wind Farms

Overview of Tilt Renewables' wind asset portfolio



The renewable market opportunity

- In June 2015, after gaining cross-bench support, the Australian Federal Government's amendments to the renewable energy target (**"RET"**) came into force. The amendments changed the annual amount of renewable source electricity under the large-scale RET to reflect a target of 33,000GWh of renewable generation by 2020
- The 33,000GWh RET to be achieved by 2020 will require approximately 5,000MW of new renewable generation capacity to be built within the next four to five years
  - effectively doubles the amount of large-scale renewable energy being delivered in Australia, compared with current levels
- Key features of the large-scale RET are:
  - an accredited power station that generates electricity from renewable sources is entitled to create a large-scale generation certificate ("LGCs") for every MWh of electricity produced;
  - each liable entity (usually an electricity retailer) must purchase and then surrender its calculated share of LGCs to the Clean Energy Regulator each year in order for the annual target to be met, and for the liable entity to avoid having to pay a shortfall charge;
  - LGCs may be purchased directly from an accredited power station or from the open LGC market; and
  - a liable entity must pay a large-scale generation shortfall charge if it fails to surrender sufficient LGCs. This is calculated at a rate of A$65 per MWh of renewable energy for which the entity is liable, but has not surrendered an LGC

Renewable Energy Target outlook

Source: Green Energy Markets as at March 2016

Tilt Renewables, with its development and operating expertise and experience in the renewable energy market, is well placed to capitalise on the Australian RET opportunity

Tilt Renewables' strategy

1. Tilt Renewables' primary strategic objective is to build on its existing Australian and New Zealand wind development experience in order to successfully implement its development pipeline
2. Tilt Renewables aims to secure a greater share of the Australasian renewable energy market and further establish itself as a leading developer of renewable energy generation in Australasia
3. Tilt Renewables will seek to continually improve the operational performance of its existing asset base and position itself for repowering opportunities for its existing assets as they reach the end of their operational lives
4. Acquisition of other existing operational wind assets and development sites for wind and solar generation in Australia. Tilt Renewables will assess the quality of such opportunities relative to its own development pipeline

Tilt Renewables' strategic priorities

AUSTRALIA					NEW ZEALAND		
Complete consents and preparation of best sites in development pipeline	Consider further acquisition of consented wind/solar sites to bolster pipeline	Maintenance of long dated development options as appropriate	Achieve financial close on at least one major project by first half of 2017	Determine contracted revenue options post maturity of Snowtown 1 PPA in Dec 2018	Consent North Island wind option, maintain existing consented options	Evaluate NZ wholesale price levels, off take arrangements and progress projects if returns are adequate	Repower opportunity at Tararua I & II over medium term

Aspiration = more than double current operating renewable generation capacity over the next five years (to 1,500MW) and position beyond 2020 with further wind and solar build if policy framework is supportive

Tilt Renewables – financial summary and capital structure

Capital structure

- Tilt Renewables has received legally binding commitments (subject to conditions precedent) from a syndicate of bank lenders to provide approximately A$715 million of new A$ and NZ$ bank facilities
- Tilt Renewables will have approximately A$100 million of committed debt facilities available for future development, acquisitions or expansion of solar or wind assets, and A$15 million for working capital requirements
- Tilt Renewables will announce its expected opening net debt position prior to its intended listing

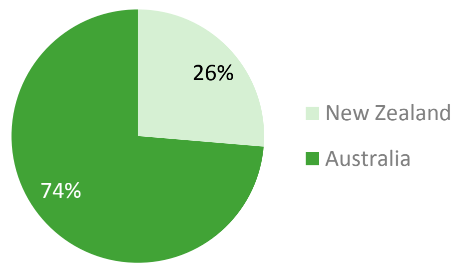
Dividend policy

- The Tilt Renewables Board intends to target a dividend payout in the range of 25% to 50% of operating free cash flow after debt service
- The payout range reflects the Board's view that a significant level of earnings should be retained within the business to assist in the funding of growth projects over the medium term
- The first dividend following the Demerger is expected to be paid in December 2016

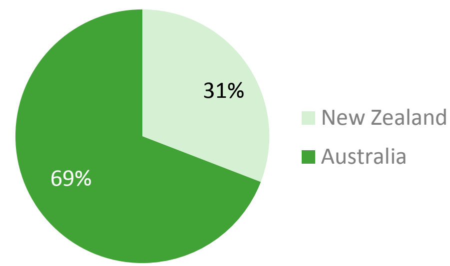
Tilt Renewables summary pro forma historical financial information

A$m	FY2014	FY2015	FY2016
Generation production (GWh)	1,209	1,837	1,921
Generation capacity (MW)	451	582	582
Revenue	87.3	148.2	156.4
EBITDAF	53.2	103.6	111.6
Net profit before tax			18.2
Capital expenditure	(264.0)	(47.9)	(4.3)

Tilt Renewables 2016 pro forma revenue by geography



Tilt Renewables 2016 pro forma EBITDAF by geography



Experienced Board and management team

Directors

Bruce Harker

Chairman
Non-independent Director

Fiona Oliver

Independent Director

Paul Newfield

Non-independent Director

Phillip Strachan

Independent Director

Geoff Swier

Independent Director

Vimal Vallabh

Non-independent Director

Senior management

Robert Farron

Chief Executive Officer

Deion Campbell

General Manager – Generation and Trading

Clayton Delmarter

General Manager – Renewable Development

Section 3

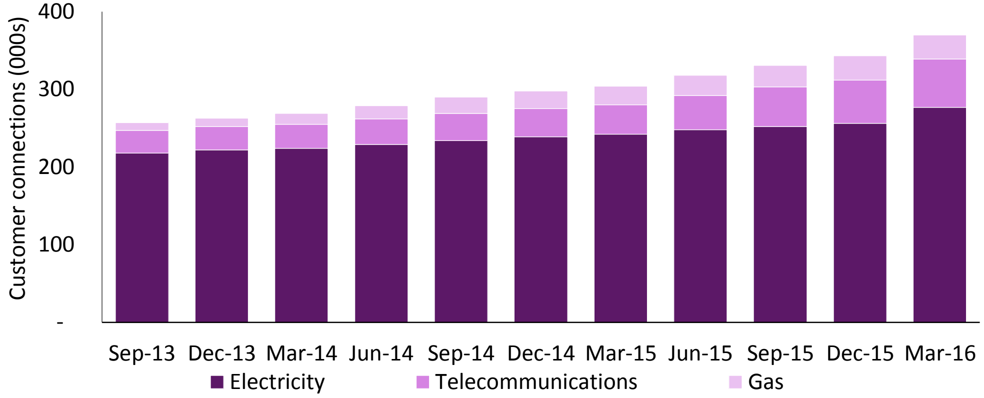
Overview of New Trustpower after the Demerger

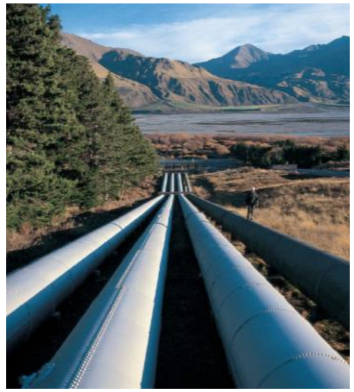
Overview of New Trustpower

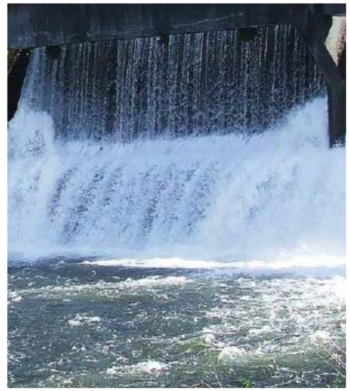
Overview

- New Trustpower will be a Tauranga-based utility company engaged in the development, ownership and operation of principally hydro electricity generation facilities in New Zealand and Australia and the sale of energy and telecommunications services to its retail customers in New Zealand
- New Trustpower will represent approximately 8% of market share by installed hydro capacity in New Zealand
- New Trustpower will remain New Zealand's fourth largest energy retailer as Trustpower is today, with an estimated market share of approximately 13% of total New Zealand electricity customers
- New Trustpower will provide electricity to around 280,000 homes and businesses, supply gas to around 31,500 customer connections and provide telephone and broadband services to around 65,000 customer connections

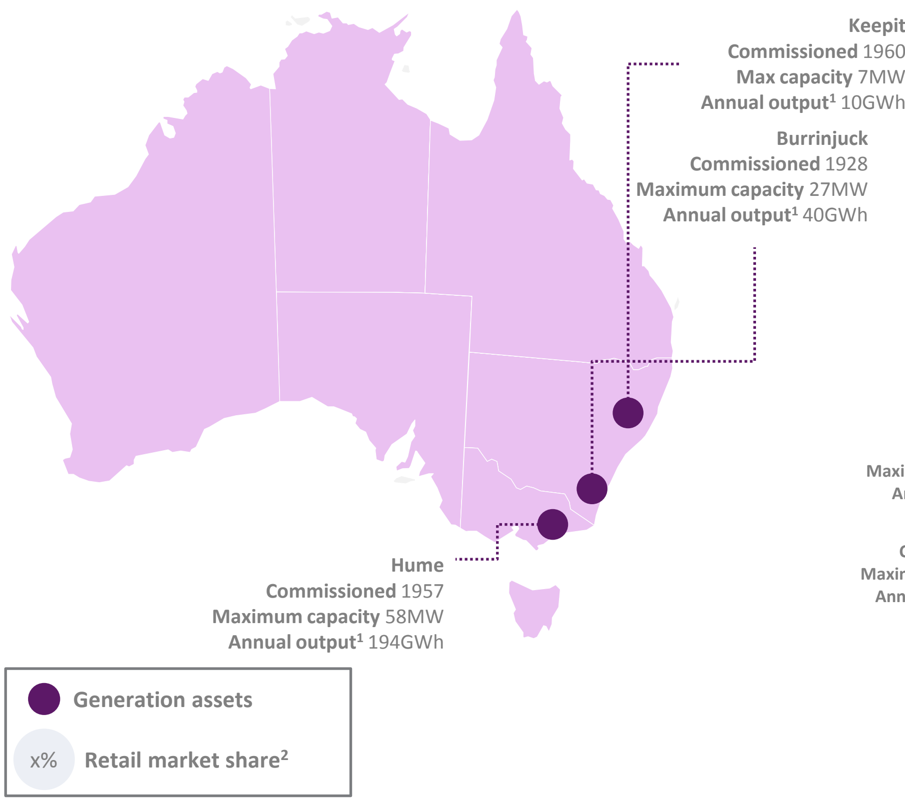
Trustpower customer connections by segment

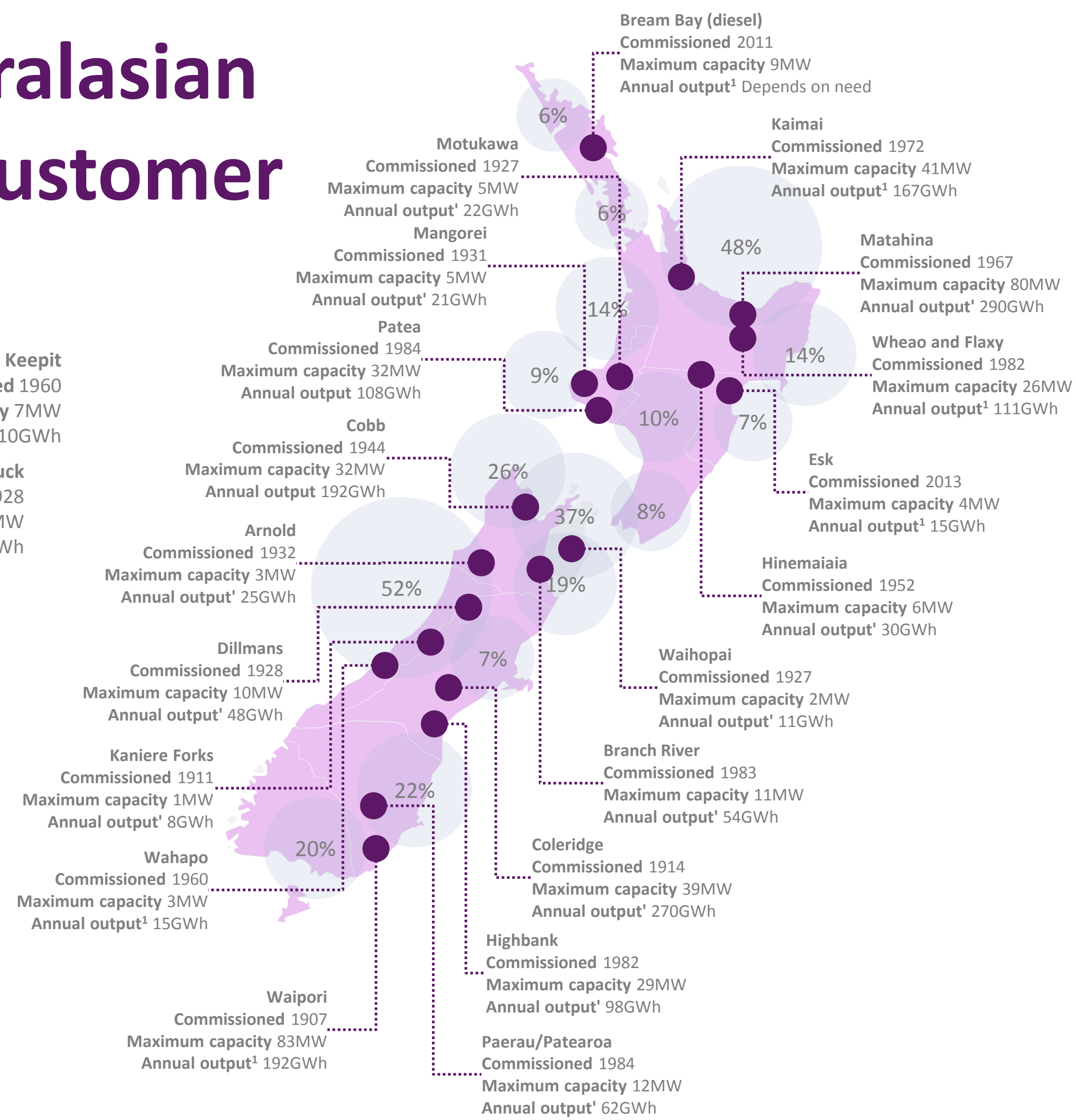



Coleridge Power Station


Arnold Power Station

New Trustpower's Australasian generation assets and customer market share





Notes:

1 Based on average annual output

2 Retail market share based on Electricity Authority Customer connections as at 31 March 2016

3 The percentage figures in the map reflect the percentage of customers in each region who are Trustpower electricity customers (circle size relative to approximate numbers of customers)

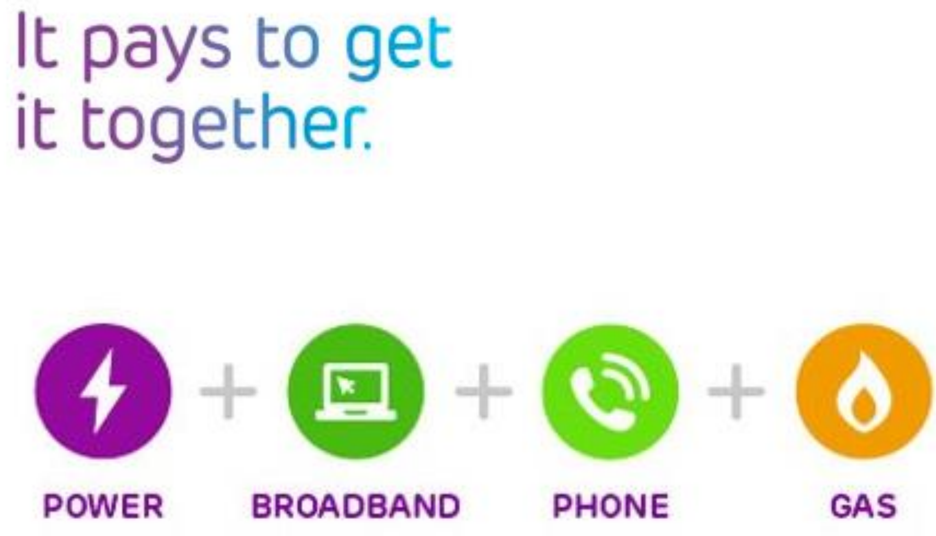
4 Excludes generation assets of King Country Energy

Source: Electricity Authority as at 31 March 2016

New Trustpower's strategy

Overview

- The key features of New Trustpower’s business strategy are:
  - executing Trustpower’s multi-product retail strategy by adding both customers and products per customer
  - taking advantage of opportunities created by new technology to improve customer experience and develop new products and services
  - optimising the value created by Trustpower’s existing hydro generation assets in Australia and New Zealand and the water rights they control. Conveyance of water for irrigation of land used for agriculture is a potentially valuable opportunity to further develop
  - making acquisitions which are aligned with New Trustpower’s existing business and where New Trustpower can add value, such as the recent acquisitions of Green State Power in New South Wales and a 65% interest in King Country Energy



New Trustpower – financial summary and capital structure

Capital structure

- Trustpower intends to refinance its existing bilateral bank debt facilities and then novate those facilities to New Trustpower as part of the Demerger
- Following the refinancing, the aggregate principal amount of those facilities will be approximately NZ$805 million, including a short term loan of NZ$425 million which will be available to redeem all of Trustpower's listed bonds if required
- New Trustpower intends to announce its expected opening net debt position prior to its intended listing
- Trustpower intends to redeem each series of listed bonds in accordance with their terms

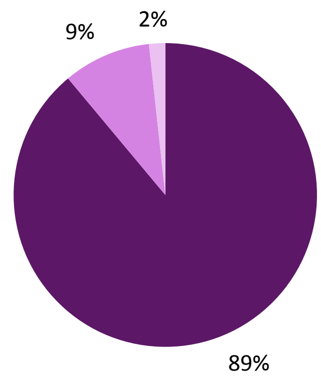
Dividend policy

- It is expected that New Trustpower will have a dividend payout ratio in the range of 70% to 90% of free cash flow on average over time
- The first dividend following the Demerger is expected to be paid in December 2016
- Further detail on the dividend policy can be found in the Scheme Booklet

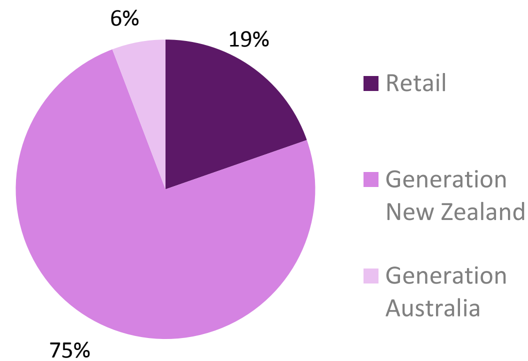
New Trustpower summary pro forma historical financial information

NZ$m	FY2014	FY2015	FY2016
Generation production (GWh)	2,046	2,035	2,047
Generation capacity (MW)	570	570	570
Revenue	820.8	920.0	947.1
EBITDAF	233.7	233.8	213.3
Net profit before tax			116.4

New Trustpower pro forma 2016 revenue by segment



New Trustpower pro forma 2016 EBITDAF by segment



Experienced Board and management team

Directors

Paul Ridley-Smith

Chairman
Non-independent Director

Sam Knowles

Independent Director

Richard Aitken

Independent Director

Susan Peterson

Independent Director

Alan Bickers

Non-independent Director

Geoff Swier

Independent Director

Marko Bogoievski

Non-independent Director

Senior management

Vince Hawksworth

Chief Executive Officer

Kevin Palmer

Acting Chief Financial Officer